

AMENDED IN ASSEMBLY MAY 12, 2003

AMENDED IN ASSEMBLY MAY 1, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 222

Introduced by Assembly Member Corbett
(Coauthors: Assembly Members Diaz, Levine, *Longville*, and
Pavley)
(Coauthor: Senator Ducheny)

January 29, 2003

An act to add Chapter 12.5 (commencing with Section 20020) to Part 11 of the Education Code, relating to financing a public library construction and renovation program, and by providing the funds necessary therefor through an election for, and the issuance and sale of, bonds of the State of California, and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 222, as amended, Corbett. California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2004.

Existing law establishes the California Library Construction and Renovation Bond Act of 1988 and the California Reading and Literacy Improvement Construction and Renovation Bond Act of 2000. Existing law authorizes the issuance of bonds, pursuant to the State General Bond Law, in the amount of \$75,000,000 in the 1988 act and in the

amount of \$350,000,000 in the 2000 act, for the purpose of financing library construction and renovation.

This bill would enact the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2004, for submission to the voters at the 2004 direct primary election. If approved by the voters, this bill would authorize the issuance, pursuant to the State General Bond Law, of bonds in the amount not to exceed a total of \$4,470,000,000 for the purpose of financing library construction and renovation and certain library services to youth pursuant to a program administered by the State Librarian.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 12.5 (commencing with Section
2 20020) is added to Part 11 of the Education Code, to read:

3

4 CHAPTER 12.5. CALIFORNIA READING AND LITERACY
5 IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND
6 RENOVATION BOND ACT OF 2004

7

8 Article 1. General Provisions

9

10 20020. This chapter shall be known and may be cited as the
11 California Reading and Literacy Improvement and Public Library
12 Construction and Renovation Bond Act of 2004.

13 20022. As used in this chapter, the following terms have the
14 following meanings:

15 (a) "Committee" means the California Library Construction
16 and Renovation Finance Committee established pursuant to
17 Section 19972 and continued in existence pursuant to Section
18 20040 for the purposes of this chapter.

19 (b) "Fund" means the California Public Library Construction
20 and Renovation Fund of 2004 established pursuant to Section
21 20024.



(c) “Board” means the California Public Library Construction and Renovation Board of 2004 established pursuant to Section 20023.

20023. (a) The California Public Library Construction and Renovation Board of 2004 is hereby established.

(b) The board is comprised of the State Librarian, the Treasurer, the Director of Finance, an Assembly Member appointed by the Speaker of the Assembly, a Senator appointed by the Senate Committee on Rules, and two members appointed by the Governor.

(c) Legislative members of the board shall meet with, and participate in, the work of the board to the extent that their participation is not incompatible with their duties as Members of the Legislature. For the purpose of this chapter, Members of the Legislature who are members of the board constitute a joint legislative committee on the subject matter of this chapter.

Article 2. Program Provisions

20024. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Public Library Construction and Renovation Fund of 2004, which is hereby established.

20025. All moneys deposited in the fund, except as provided in Section 20049.5, are continuously appropriated to the State Librarian, notwithstanding Section 13340 of the Government Code, and are available for grants to any *city, county*, city and county, or library district that is authorized at the time of the project application to own and maintain a public library facility for the purposes set forth in Section 20026.

20026. The grant funds authorized pursuant to Section 20025, and the matching funds provided pursuant to Section 20033, shall be used by the recipient for any of the following purposes:

(a) Acquisition or construction of new facilities or additions to existing public library facilities.

(b) Acquisition of land necessary for the purposes of subdivision (a).

(c) Remodeling or rehabilitation of existing public library facilities or of other facilities for the purpose of their conversion to public library facilities. All remodeling and rehabilitation

1 projects funded with grants authorized pursuant to this chapter
2 shall include any necessary upgrading of electrical and
3 telecommunications systems to accommodate Internet and similar
4 computer technology.

5 (d) Procurement or installation, or both, of furnishings and
6 equipment required to make a facility fully operable, if the
7 procurement or installation is part of a construction or remodeling
8 project funded pursuant to this section.

9 (e) Payment of fees charged by architects, engineers, and other
10 professionals, whose services are required to plan or execute a
11 project authorized pursuant to this chapter.

12 (f) Service charges where the services in question are required
13 by the applicant jurisdiction to be provided by a public works or
14 similar department, or by other departments providing
15 professional services where the costs are directly billed to the
16 project pursuant to this chapter.

17 (g) For new construction of public library projects, the
18 acquisition of an initial collection of library books and audiovisual
19 materials for both the circulating and reference collections of the
20 proposed project.

21 (h) An amount not to exceed 1 percent of the total cost of
22 construction of the project may be used for works of art to enhance
23 the facility.

24 20027. (a) An applicant for a grant for the acquisition,
25 construction, remodeling, or rehabilitation of public library
26 facilities under this chapter on land not currently possessed by that
27 applicant, for a project that does not include an application for a
28 grant to acquire that land pursuant to subdivision (b) of Section
29 20026, shall be deemed to comply with any administrative
30 condition adopted pursuant to this chapter that the applicant own
31 the land if the application is accompanied by a copy of a court order
32 issued in an eminent domain action pursuant to Section 1255.410
33 of the Code of Civil Procedure that entitles the applicant to
34 possession of the land.

35 (b) The terms “purchase of land” and “acquisition of land”
36 as used in this chapter, or in any rule, regulation or policy adopted
37 by the board pursuant to Section 20030, include, but are not
38 limited to, the acquisition of land by eminent domain. For that
39 purpose, the eligible cost of acquisition shall be the fair market
40 value of the property as defined by Article 4 (commencing with



1 Section 1263.310) of Chapter 9 of Title 7 of Part 3 of the Code of
2 Civil Procedure, except that, if title to the land will not be
3 transferred until after the application is submitted for a grant for
4 the acquisition of the land, the eligible cost of acquisition may not
5 exceed the appraised value of the land.

6 20028. Any grant funds authorized pursuant to Section
7 20025, or matching funds provided pursuant to Section 20033,
8 may not be used by a recipient for any of the following purposes:

9 (a) Books and other library materials, except those authorized
10 pursuant to subdivision (g) of Section 20026.

11 (b) Administrative costs of the project, including, but not
12 limited to, the costs of any of the following:

13 (1) Preparation of the grant application.

14 (2) Procurement of matching funds.

15 (3) Conduct an election for obtaining voter approval of the
16 project.

17 (c) Except as set forth in this chapter, including, but not limited
18 to, Section 20048, interest or other carrying charges for financing
19 the project, including, but not limited to, costs of loans or
20 lease-purchase agreements in excess of the direct costs of any of
21 the authorized purposes specified in Section 20026.

22 (d) Any ongoing operating expenses for the facility, its
23 personnel, supplies or any other library operations.

24 20029. All construction contracts for projects funded in part
25 through grants awarded pursuant to this chapter shall be awarded
26 through competitive bidding pursuant to Part 3 (commencing with
27 Section 20100) of Division 2 of the Public Contract Code.

28 20030. This chapter shall be administered by the State
29 Librarian. The board shall adopt rules, regulations, and policies for
30 the implementation of this chapter.

31 20031. A city, county, city and county, or library district may
32 apply to the State Librarian for a grant pursuant to this chapter as
33 follows:

34 (a) Each application shall be for a project for a purpose
35 authorized by Section 20026.

36 (b) An application may not be submitted for a project for which
37 construction bids already have been advertised.

38 (c) The applicant shall request not less than fifty thousand
39 dollars (\$50,000) per project.

20032. In making the awards, the board shall consider applications for construction or rehabilitation of public library facilities submitted pursuant to Section 20031 and the funding shall be allocated in the following manner:

(a) First priority shall be given to applications deemed eligible by the State Librarian, that were submitted but not funded in the third application cycle of the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000. Amounts awarded by the board for these applications may not exceed 50 percent of the total amount authorized pursuant to Section 20038.

(b) Grant awards shall be made within 60 days after the awards are made for the third cycle of the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000.

(c) Until regulations are adopted pursuant to Section 20030, regulations adopted pursuant to the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 (Chapter 12 (commencing with Section 19985)) govern the administration of this chapter.

(d) Funds not awarded for the third application cycle pursuant to the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000, shall be awarded on a competitive basis pursuant to this chapter.

(e) (1) Up to twenty-five million dollars (\$25,000,000) shall be made available for eligible public libraries that provide two or more of the following services:

(A) Academic assistance and enrichment, including, but not limited to, homework centers with study rooms, study lounges and “living rooms,” poetry, and other creative writing programs, and performing and fine arts programs.

(B) Life skills programs, including, but not limited to, occupational and postsecondary education information, ~~health information~~, conflict resolution and peer mediation, and financial information.

(C) Technology, including, but not limited to, word processors, computer terminals, electronic materials, geographic information systems and other databases, and technical support and training.

(D) Youth mentoring and educational peer matching, including, but not limited to, the mentoring of youth by adults and

1 the matching of young learners with other youth, at library sites
2 and at other venues located with the assistance of the library.

3 (2) For the purposes of this subdivision, the State Librarian
4 shall provide up to two million dollars (\$2,000,000) in grants to
5 qualified public libraries for the purpose of providing youth with
6 high-quality nonschool hours services that effectively promote the
7 personal and professional development of youth in support of their
8 individual learning objectives.

9 (3) As a condition of receiving funds under this subdivision, an
10 eligible public library shall do all of the following:

11 (A) Certify, on a form and in a manner required by the State
12 Librarian, that the funds will be used for the development and
13 operation of a Youth Advisory Council, a majority of whose
14 members shall be composed of youth residing in that jurisdiction.
15 It shall be the responsibility of the council to shape, guide, and help
16 operate the nonschool hours services pursuant to this subdivision.

17 (B) Ensure that libraries are welcoming to youth by providing
18 flexible scheduling of youth services rendered in appropriate
19 settings.

20 (C) Deploy staff specially trained to work with youth.

21 (4) The State Librarian shall, to the extent possible, award
22 grants evenly throughout the geographical regions of the state.
23 Strong consideration shall be given to libraries in low-income
24 areas and areas where there are low-performing schools. These
25 grants shall be awarded on a competitive basis, in amounts ranging
26 from ~~forty thousand dollars (\$40,000)~~ *fifty thousand dollars*
27 *(\$50,000)* to ninety thousand dollars (\$90,000), inclusive, over a
28 two-year period, for the purpose of implementing this subdivision.
29 Grants awarded to these libraries pursuant to this subdivision may
30 be used for salaries of staff in these libraries. These grants shall
31 supplement, not supplant, existing library services and funds.

32 (5) No more than 10 percent of the amount allocated in a fiscal
33 year for the purposes of this subdivision may be used by the State
34 Librarian for state-level administration.

35 (6) The California State Library shall have an evaluation of the
36 effectiveness of the grants awarded under this subdivision
37 conducted by an independent entity. By January 1, 2006, the State
38 Librarian shall submit the results of the evaluation to the Governor
39 and to the fiscal, education, and local government committees of
40 the Assembly and Senate.

1 20033. (a) Each grant recipient shall provide matching funds
2 from any available source in an amount equal to 35 percent of the
3 costs of the project. The remaining 65 percent of the costs of the
4 project, up to a maximum of twenty million dollars (\$20,000,000)
5 per project, shall be provided through allocations from the fund.

6 (b) Qualifying matching funds shall be cash expenditures in the
7 categories specified in Section 20026 which are made not earlier
8 than five years prior to the submission of the application to the
9 State Librarian. Except as otherwise provided in subdivision (c),
10 in-kind expenditures do not qualify as matching funds.

11 (c) Land donated or otherwise acquired for use as a site for the
12 facility, including, but not limited to, land purchased more than
13 five years prior to the submission of the application to the State
14 Librarian, may count towards the 35 percent matching funds
15 requirement at its appraised value as of the date of the application.
16 This subdivision does not apply to land acquired with funds
17 authorized pursuant to Part 68 (commencing with Section
18 100400), Part 68.1 (commencing with Section 100600), or Part
19 68.2 (commencing with Section 100800) if approved by the
20 voters.

21 (d) Architect fees for plans and drawings for library renovation
22 and new construction, including, but not limited to, plans and
23 drawings purchased more than five years prior to the submission
24 of the application to the State Librarian, may count towards the 35
25 percent matching funds requirement.

26 20034. (a) The estimated costs of a project for which an
27 application is submitted shall be consistent with normal public
28 construction costs in the geographic area of the applicant.

29 (b) An applicant wishing to construct a project having costs that
30 exceed normal public construction costs in the area may apply for
31 a grant in an amount not to exceed 65 percent of the normal costs
32 up to a maximum of twenty million dollars (\$20,000,000) per
33 project if the applicant certifies that it is capable of financing the
34 remainder of the project costs from other sources.

35 20035. After an application has been approved by the board
36 and included in the State Librarian's request to the committee, the
37 amount of the funding to be provided to the applicant may not be
38 increased. Any actual changes in project costs are the
39 responsibility of the applicant. If the amount of funding that is
40 provided is greater than the cost of the project, the applicant shall

1 return that amount of funding that exceeds the cost of the project
2 to the fund. If an applicant has been awarded funding by the board,
3 but decides not to proceed with the project, the applicant shall
4 return all of the funding to the fund.

5 20036. (a) In reviewing applications, as part of establishing
6 the priorities set forth in Section 20032, the board shall consider
7 all of the following factors:

8 (1) The needs of urban, suburban, and rural areas.

9 (2) The age and condition of existing library facilities within an
10 area.

11 (3) The degree to which existing library facilities are
12 inadequate in meeting the needs of the residents in the library
13 service area and the degree to which the proposed project responds
14 to those needs.

15 (4) The degree to which the library integrates appropriate
16 electronic technologies into the proposed project.

17 (5) The degree to which the proposed site is appropriate for the
18 proposed project and its intended use.

19 (6) The financial commitment of the local agency submitting
20 the application to open, operate, and maintain the proposed library
21 project upon its completion.

22 (b) If, after an application has been submitted, material changes
23 occur that would alter the evaluation of an application, the State
24 Librarian may accept an additional written statement from the
25 applicant for consideration by the board.

26 20037. (a) A facility, or any part thereof, acquired,
27 constructed, remodeled, or rehabilitated with grants received
28 pursuant to this chapter shall be dedicated to public library direct
29 service use for a period of at least 20 years following completion
30 of the project.

31 (b) Any financial interest that the state may have in the land or
32 facility, or both, resulting from the funding of a project under this
33 chapter, as described in subdivision (a), may be transferred by the
34 State Librarian through an exchange for a replacement site and
35 facility acquired or constructed for the purpose of providing public
36 library direct service.

37 (c) If the facility, or any part thereof, acquired, constructed,
38 remodeled, or rehabilitated with grants received pursuant to this
39 chapter ceases to be used for public library direct service prior to
40 the expiration of the period specified in subdivision (a), the board

1 shall be entitled to recover from the grant recipient, or the
2 successor of the recipient, an amount that bears the same ratio to
3 the value of the facility, or appropriate part thereof, at the time it
4 ceased to be used for public library direct service, as the amount
5 of the original grant bore to the original cost of the facility, or
6 appropriate part thereof. For purposes of this subdivision, the
7 value of the facility, or appropriate part thereof, shall be
8 determined by the mutual agreement of the board and the grant
9 recipient or successor, or through an action brought for that
10 purpose in the superior court.

11 (d) Notwithstanding subdivision (f) of Section 16724 of the
12 Government Code, any money recovered pursuant to subdivision
13 (c) shall be deposited in the fund, and shall be available for the
14 purpose of awarding grants for other projects.

15 Article 3. Fiscal Provisions

16
17
18 20038. Bonds in the total amount not to exceed a total of four
19 billion four hundred seventy million dollars (\$4,470,000,000),
20 exclusive of refunding bonds issued in accordance with Section
21 20046, or so much thereof as is necessary, may be issued and sold
22 for deposit in the fund to be used in accordance with, and for
23 carrying out the purposes expressed in, this chapter, including all
24 acts amendatory thereof and supplementary thereto, and to be used
25 to reimburse the General Obligation Bond Expense Revolving
26 Fund pursuant to Section 16724.5 of the Government Code. The
27 bonds, when sold, shall be and constitute a valid and binding
28 obligation of the State of California, and the full faith and credit
29 of the State of California is hereby pledged for the punctual
30 payment of both principal of and interest on bonds as the principal
31 and interest become due and payable.

32 20039. The bonds authorized by this chapter shall be
33 prepared, executed, issued, sold, paid, and redeemed as provided
34 in the State General Obligation Bond Law (Chapter 4
35 (commencing with Section 16720) of Part 3 of Division 4 of Title
36 2 of the Government Code), and all of the provisions of that law
37 apply to the bonds and to this chapter and are hereby incorporated
38 in this chapter as though set forth in full in this chapter, except
39 Section 16727 of the Government Code to the extent that it may
40 be inconsistent with this chapter.

20040. (a) For purposes of this chapter, the California Library Construction and Renovation Finance Committee established pursuant to Section 19972 is continued in existence and is the “committee” as that term is used in the State General Obligation Bond Law for the purpose of this chapter.

(b) For purposes of the State General Obligation Bond Law, the California Public Library Construction and Renovation Board of 2004 established pursuant to Section 20023 is designated the board.

20041. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in this chapter, including all acts amendatory thereof and supplementary thereto, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

20042. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

20043. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 20044, appropriated without regard to fiscal years.

20044. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the

1 rate earned by the money in the Pooled Money Investment
2 Account during the time the money was withdrawn from the
3 General Fund pursuant to this section, from money received from
4 the sale of bonds for the purpose of carrying out this chapter.

5 20045. The board may request the Pooled Money Investment
6 Board to make a loan from the Pooled Money Investment Account
7 or any other approved form of interim financing, in accordance
8 with Section 16312 of the Government Code, for the purposes of
9 carrying out this chapter. The amount of the request may not
10 exceed the amount of the unsold bonds that the committee has, by
11 resolution, authorized to be sold for the purpose of carrying out
12 this chapter. The board shall execute any documents required by
13 the Pooled Money Investment Board to obtain and repay the loan.
14 Any amounts loaned shall be deposited in the fund to be allocated
15 by the board in accordance with this chapter.

16 20046. Any bonds issued and sold pursuant to this chapter
17 may be refunded by the issuance of refunding bonds in accordance
18 with Article 6 (commencing with Section 16780) of Chapter 4 of
19 Part 3 of Division 2 of Title 2 of the Government Code. Approval
20 of the electors of the state for the issuance of bonds under this
21 chapter shall include the approval of the issuance of any bonds
22 issued to refund any bonds originally issued or any previously
23 issued refunding bonds.

24 20047. Notwithstanding any other provision of this chapter,
25 or of the State General Obligation Bond Law, if the Treasurer sells
26 bonds pursuant to this chapter that include a bond counsel opinion
27 to the effect that the interest on the bonds is excluded from gross
28 income for federal tax purposes, subject to designated conditions,
29 the Treasurer may maintain separate accounts for the investment
30 of bond proceeds and for the investment earnings on those
31 proceeds. The Treasurer may use or direct the use of those
32 proceeds or earnings to pay any rebate, penalty, or other payment
33 required under federal law or take any other action with respect to
34 the investment and use of those bond proceeds required or
35 desirable under federal law to maintain the tax-exempt status of
36 those bonds and to obtain any other advantage under federal law
37 on behalf of the funds of this state.

38 20048. All money deposited in the fund that is derived from
39 premium and accrued interest on bonds sold pursuant to this
40 chapter shall be reserved in the fund and shall be available for



1 transfer to the General Fund as a credit to expenditures for bond
2 interest.

3 20049. The Legislature hereby finds and declares that,
4 inasmuch as the proceeds from the sale of bonds authorized by this
5 chapter are not “proceeds of taxes” as that term is used in Article
6 XIII B of the California Constitution, the disbursement of these
7 proceeds is not subject to the limitations imposed by that article.

8 20049.5. Amounts deposited in the fund pursuant to this
9 chapter may be appropriated in the annual Budget Act to the State
10 Librarian for the actual amount of office, personnel, and other
11 customary and usual expenses incurred in the direct administration
12 of grant projects pursuant to this chapter, including, but not limited
13 to, expenses incurred by the State Librarian in providing technical
14 assistance to an applicant for a grant under this chapter.

15 SEC. 2. (a) Section 1 of this act shall take effect upon the
16 adoption by the voters of the California Reading and Literacy
17 Improvement and Public Library Construction and Renovation
18 Bond Act of 2004, as set forth in Section 1 of this act.

19 (b) Section 1 of this act shall be submitted to the voters at the
20 2004 direct primary election in accordance with provisions of the
21 Elections Code and the Government Code governing submission
22 of statewide measures to voters.

23 SEC. 3. (a) Notwithstanding any other provisions of law, all
24 ballots of the election shall have printed thereon and in a square
25 thereof, the words: “California Reading and Literacy
26 Improvement and Public Library Construction and Renovation
27 Bond Act of 2004” and in the same square under those words, the
28 following in 8-point type: “This act provides for a bond issue in
29 an amount not to exceed a total of four billion four hundred seventy
30 million dollars (\$4,470,000,000) to provide funds for the
31 construction and renovation of public library facilities in order to
32 expand access to reading and literacy programs in California’s
33 public education system and to expand access to public library
34 services for all residents of California.” Opposite the square, there
35 shall be left spaces in which the voters may place a cross in the
36 manner required by law to indicate whether they vote for or against
37 the act.

38 (b) If the voting in the election is done by a means of voting
39 machines used pursuant to law in the manner that carries out the
40 intent of this section, the use of the voting machines and the

1 expression of the voters' choice by means thereof are in
2 compliance with this section.

3 SEC. 4. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety
5 within the meaning of Article IV of the Constitution and shall go
6 into immediate effect. The facts constituting the necessity are:

7 In order for this act to appear on the 2004 direct primary election
8 so as to, at the earliest possible time, expand access to reading and
9 literacy programs in California's public education system and
10 expand access to public library services for all residents of
11 California, it is necessary for this act to go into immediate effect.

